

a small steel factory in Rumania which handled the governmental contracts for the Rumanian Government. At about that time Mr. AUSMIT mentioned that a large Rumanian holding company which controlled the Resita was having financial difficulty and that he was invited as a financial investor to assist financially and also in a directing capacity of the reorganization of this company.

Mr. AUSMIT advised that he entered this company with the thought in mind of making it productive for the welfare of the Rumanian Government. MALAXA was brought in, he said, to handle the state business which the Resita would handle for the Rumanian Government. In about 1935, according to Mr. AUSMIT, munition orders were placed with this company and that between that time and 1938, the majority of the good contracts from the government were placed with MALAXA. Because of MALAXA's control with governmental contracts for the Resita and the fact that he owned his own steel company, this allowed MALAXA to direct orders according to his best interest. MALAXA he said took the choice contracts for his own personally owned company and left the majority of the non-percentage contracts and those necessitating research to go to the Resita.

Mr. AUSMIT explained the reason for MALAXA's ability to obtain the Rumanian Government contracts by saying that MALAXA was very close to King CAROL and King CAROL's entourage. Particularly, he said, MALAXA was close to the Minister of the King's Palace, a Mr. TRAPIANU. Through this latter party, MALAXA was able to obtain the latest state information on the Rumanian Government. In about 1939, AUSMIT said that the German influence in Rumania was very small. Rumanians in the government at that time were taking sides with the powers which they felt would be most beneficial to their own personal interest. This seemed to be true in most cases rather than where the good of the government itself was concerned. AUSMIT said that he felt that MALAXA, through his ties, would become dangerous if German influence should develop fully in Rumania. He said that he, at about that time, went to England and there tried to encourage British interests to vitalize industry in Rumania. In other words, he said he was interested in creating a balance between German power and British power for the welfare of Rumania. MALAXA had been successful in contacting ALBERT GUERIN, brother of HENRI GUERIN. After this, MALAXA returned to Rumania and then prevailed upon King CAROL to such an extent, that the King began at that time to hold AUSMIT in disfavor. AUSMIT said he was warned by a close personal friend that the King had little regard for him and that it would be best for his, AUSMIT's, welfare if he departed the country.

In July 15, 1939, the King had a luncheon in honor of AUSMIT and a royal invitation was extended him, AUSMIT said. He mentioned that approximately two weeks after the luncheon, the police came to his home,

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president of the Hungarian-Russian Cultural Association. In 1945-1946 he is believed to have been employed by the United States Military Mission in Hungary, at which time, according to information received by an informant, he was active as a Russian agent. In November, 1946, STANT-GY RMI reportedly gave the address of welcome at the Third Congress of the Hungarian Communist Party. Information received concerning STANT-GY RMI's alleged pro-Communist sympathies has been of a conflicting nature.

He entered the United States in April, 1947 and has been engaged in research at the Woods Hole Marine Biological Laboratory in Massachusetts, and at the United States Public Health Service in Bethesda, Maryland.

Confidential Informant T-1 stated that he had received information from VILBERT TILIA, former Rumanian Minister to the Court of St. James, who in turn received the information from some friends of his in London, that MALAKA was not successful in obtaining a transit visa or a visitor's visa for Great Britain, or in his application for a Canadian immigration visa because of the following facts:

In 1938 the Rumanian Armament Works received a license from the Metropolitan Vickers Company to produce the Vickers' anti-aircraft gun and shells. In order to produce the shells, MALAKA obtained the necessary machinery from Germany. In order to obtain the proper machinery he had to submit to the Germans the blueprints of the shells. According to the information received, this fact enabled the Germans to know the capacity and effectiveness of the British anti-aircraft defenses, prior to the time that the German commenced their bombing of London.

Confidential Informant T-2 advised that telegram RM74, dated October 12, 1948 from the Rumanian Legation in Washington to the Ministry of Foreign Affairs in Bucharest, read as follows:

"Request you communicate Mr. Minister MIRAI MALAKA that the funds in the Legation's name as of October 10, 1948, are (1), Joint UNRRA funds, \$10,714.52; (2), Ministry of Commerce Fund, \$34,875.77 (MALAKA); (3), Ministry of Interior Fund, \$11,000; (4), Legation's Funds, \$44,201.82.

(Signed) MIRAI MALAKA"

In November 1, 1948, MALAKA was interviewed by an agent of the Washington Field Office. MALAKA stated that it was in 1931 that he first became acquainted with MALAKA. At that time MALAKA was the owner of